

URBAN ENTREPRENEUR PARTNERSHIP

National Urban League • Business Roundtable • Kauffman Foundation
Minority Business Development Agency • Small Business Administration

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Unprecedented National Partnership Launched to Encourage Minority Entrepreneurship

*Urban Entrepreneur Partnership to Provide Business Training, Coaching, Procurement
Opportunities and Access to Financing Nationwide*

Atlanta, Cincinnati, Cleveland, Jacksonville, Kansas City to be Pilot Cities

Washington, DC – October 15, 2004 – The National Urban League, Business Roundtable, and the Ewing Marion Kauffman Foundation, joined by President Bush's National Economic Council Director and other Administration officials, today announced five pilot cities of a groundbreaking national partnership to encourage minority entrepreneurship and business development nationwide. The new **Urban Entrepreneur Partnership** will combine private, public and non-profit sector resources to expand entrepreneurship and jobs in historically neglected and economically underserved urban areas. The initiative calls for the development of one-stop economic empowerment centers to provide business training, counseling, financing, and procurement opportunities to minority and urban business owners.

"Small businesses are the largest creators of new jobs in America and the Urban Entrepreneur Partnership will help more minority owned businesses find the technical assistance, financial investment and corporate relationships they need to grow, develop, and create more jobs in the urban areas that need it most," said Marc H. Morial, President and CEO of the National Urban League and Chairman of the Urban Entrepreneur Partnership. "Growing small and medium-sized minority owned businesses is one of the best ways to close the wealth gap in America and provide real economic empowerment to our communities."

President Bush announced the initiative at the National Urban League convention on July 23, 2004 following nearly a year of development between the White House, Democratic and Republican Congressional leaders, the NUL, the Kauffman Foundation, Business Roundtable, and a broad nonpartisan group of business owners, experts, community leaders, and other supporters of minority entrepreneurship across the country. Since July, the Partnership was established with support of many groups, firms, Federal agencies, and individuals and they unanimously agreed that Mr. Morial should serve as Chair. These partners, of various ethnic and political backgrounds, bring their expertise, energy and resources to make this joint Partnership a public-private collaboration of the highest caliber.

The Urban Entrepreneur Partnership mobilizes resources of corporate America, major service organizations, the non-profit sector, and federal, state and city governments. The National Urban League's professionally-staffed local affiliates will house and administer the economic empowerment centers to address the spectrum of needs from basic financial literacy to management counseling—by offering business training, enterprise mentoring and coaching, and access to private sector contacts, procurement, and debt and equity financing nationwide.

The Ewing Marion Kauffman Foundation, a national leader in advancing entrepreneurship and Business Roundtable, an association of 150 CEOs of major firms will provide expert guidance, impress private sector standards and create partnership between large firms and urban entrepreneurs, including mentoring and identification of corporate contacts and private sector contracting opportunities at the centers. The Federal government will facilitate the establishment of centers and assist their operations in all aspects through the expertise and programs of the Minority Business Development Agency, the Small Business Administration, and others.

The collaboration will initially focus on five communities -- Atlanta, Cincinnati, Cleveland, Jacksonville and Kansas City -- with a goal of having the business centers operational by early 2005. The partners have set an ambitious goal of establishing up to fifteen one-stop centers in communities nationwide by the end of 2006.

“Our CEOs continue to see the value of business-to-business partnerships that generate economic growth and create new jobs, said John Castellani, President of Business Roundtable. Working with minority small businesses, our companies gain access to new, competitive suppliers and potential new markets. They also have the opportunity to strengthen ties to the communities where their companies operate.”

“Our research indicates that minorities, and blacks in particular, are about 50 percent more likely to engage in start-up activities than whites, said Carl Schramm, President and CEO of the Kauffman Foundation. “Yet statistics for business formation reveal that minorities are not as successful in getting their businesses off the ground or in growing them to scale. The Kauffman Foundation is thrilled to join our partners in working to close this gap and empower more minorities to reach their full entrepreneurial potential.”

“President Bush's economic priority is to strengthen the economic recovery and create jobs in America,” added Stephen Friedman, Director of the National Economic Council at the White House. “This initiative provides a way to expand ownership of minority small businesses and extend prosperity to all parts of America. This is vital to our long term economic future.”

Focus on Minority Communities and Entrepreneurship

Minorities represent 27 percent of the American population, but minority-owned firms account for just 14 percent of all U.S. businesses. Of that share, only 4 percent are black-owned. Ability is not the issue. When given the opportunity to tap resources others often take for granted, minority entrepreneurs deliver the goods. A 2002 study of minority firms backed by venture capital revealed that the average return on investment—20 percent—exceeded that of the Standard & Poor 500 during the same time period.

Partners Collaborate to Provide Expertise, Counseling and Access to Opportunity.

National Urban League: The NUL will house the economic empowerment centers providing a network of urban entrepreneurship, including:

- Outreach and empowerment through programs from basic financial literacy and asset building, to business training and corporate supplier diversity.
- Access to debt/equity financing of more than \$100 million nationwide through NUL's joint ventures with private capital funds.
- Instilling a results based, performance measured approach that justifies funding by corporate, philanthropic, and other local partners.

Business Roundtable: The Partnership builds on the Roundtable's BusinessLINC[®] program which facilitates business-to-business partnerships between large corporations and small, often minority-owned, businesses encouraging large firms to work with locally owned, smaller firms by providing technical assistance, business advice, networking, investment, and/or joint venturing and contracting opportunities.

- Business Roundtable leaders and CEO's will impress rigorous private sector standards of business performance
- Create partnership between large firms and urban entrepreneurs, including mentoring and identification of corporate contacts and private sector contracting opportunities

The Kauffman Foundation: The Ewing Marion Kauffman Foundation will draw on its extensive experience in entrepreneurship to guide and monitor the work of the initiative.

- Provide full funding for the Kansas City economic empowerment center
- Provide a capacity-building grant to the National Urban League for development of a national coaching model; and
- Provide on-site resources and technical assistance to all five centers

Federal Government: At President Bush's directing, appropriate federal resources will be available to the empowerment centers.

- The U.S. Small Business Administration, the Department of Commerce's Minority Business Development Agency, SCORE and other Federal entities will combine their resources to help provide sustainable outreach and incubation of minority enterprises.
- The White House will encourage collaboration and assistance from other private sector, non-profit, and community faith-based organizations and individuals who are dedicated to promoting business ownership and economic opportunities. In a non-partisan meeting held by the National Economic Council for planning and implementation on September 24, 2004, groups representing African American, Hispanic American, Asian American and Native American entrepreneurs offered their assistance to join the partnership

About the Partners

National Urban League (www.nul.org) Established in 1910, The Urban League is the nation's oldest and largest community-based movement devoted to empowering African Americans to enter the economic and social mainstream. Today, the National Urban League, headquartered in New York City, spearheads the non-partisan efforts of its local affiliates. There are over 100 local affiliates of the National Urban League located in 35 states and the District of Columbia providing direct services to more than 2 million people nationwide through programs, advocacy and research.

Business Roundtable (www.businessroundtable.org) is an association of 150 CEOs of the country's largest corporations with a combined workforce of more than 10 million employees in the United States and \$4 trillion in revenues. The chief executives are committed to advocating public policies that foster vigorous economic growth and a dynamic global economy. ***BusinessLINC***[®] (www.businesslinc.org) is a program of Business Roundtable aimed at stimulating economic growth in distressed cities and rural areas by fostering business-to-business partnerships. BusinessLINC[®] targets small businesses in distressed communities, especially minority- and women-owned firms. BusinessLINC[®] stands for the Learning, Investment, Networking and Collaboration that together can facilitate a full range of economic benefits for large and small businesses and the communities in which they operate.

Ewing Marion Kauffman Foundation (www.kauffman.org) With \$1.8 billion in assets, the Kauffman Foundation is one of the largest foundations in America and the only large foundation to focus on entrepreneurship. The Kauffman Foundation strives to foster an environment nationwide in which entrepreneurs have the information and tools they need to succeed. Drawing from this extensive experience, the Foundation will help guide and monitor of the work of the Urban Entrepreneur Partnership.

Federal government

The Minority Business Development Agency (www.mbda.gov) is the only federal agency created specifically to foster the establishment and growth of minority-owned businesses in America. MBDA provides business counseling and program services to assist minority-owned companies to grow. MBDA is expanding and strengthening strategic alliances with Federal government agencies and the private sector.

The U.S. Small Business Administration (www.sba.gov) aids, counsels, assists and protects the interests of all small businesses throughout the United States, in order to preserve free enterprise, ensure fair government contracts, and maintain and strengthen the nation's economy.

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